Draft minutes of a meeting of the Audit Sub-Committee of Stirchley and Brookside Parish Council held at 2pm on Tuesday 15th February 2022.

Present: Cllr G Sinclair, C Turley, M Turner, (Parish Clerk), C Higgins (Responsible Finance Officer)

AU/21/01 **APOLOGIES** To receive apologies and declarations of interest in matters on the agenda

Apologies were received from Cllr H Unwin, (work commitment) and A Watkin (family commitment).

*It was noted that the meeting was not quorate but in view of the length of time since the last meeting it was agreed it would be useful to work through some of the audit checks and the role of the sub-committee with a view to developing a report for consideration by the Policy and Resources Committee the following week.*

AU/21/02 **MINUTES** To receive the minutes of the previous meeting held 20th November 2019

These were deferred until a quorate meeting could be assembled

AU/21/03 **INTERNAL AUDIT PLAN** Review of the effectiveness of the Internal Audit Plan

The RFO outlined the principles of proper practices as set out in the guidance document Governance and Accountability for Local Councils – A Practitioners’ Guide which is updated periodically by the Joint Practitioners Advisory Group (JPAG).

AU/21/04  **QUARTER 1 CHECKS** To undertake the spot checks for quarter 1.

It was noted that these checks may be undertaken by individual Council members with nominated authority and may be undertaken outside of a formally constituted meeting. These checks having been delegated to the members of the Audit Sub committee it was agreed to proceed with a series of spot checks on receipts and payments. A number of spot checks were undertaken and the RFO provided evidence to support the payments made and income received. No issues were identified.

It was noted that since the Covid pandemic the Council had moved away from the issue of physical cheques and that all payments were made online. On-line authorisation by two cheque signatories, mirroring the protection of two physical signatures had been implemented in accordance with best practice.

A check on salary payments was made to confirm actual payments matched the approved pay schedules during the year.

It was noted that a review of Direct Debit arrangements was due.

It was suggested that a detailed audit of the Office Support cost code be undertaken at the next meeting.

*At 2:30pm it was agreed to adjourn the meeting until a quorum was available and to reconvene at 2:30pm on Thursday 17 February 2022 to consider the deferred business on the agenda.*

*Meeting reconvened at 2:30pm, Thursday 17th February 2022*

Present: Cllr G Sinclair, Cllr C Turley, Cllr H Unwin, M Turner, C Higgins

AU/21/05 **MINUTES** To receive the minutes of the previous meeting held 20th November 2019 – *(Deferred)* The minutes were approved as an accurate record

AU/21/06 **INTERNAL AUDIT PLAN** Review of the effectiveness of the Internal Audit Plan *(Deferred)*

It was noted that the lack of meetings during the Covid pandemic had reduced the effectiveness of the internal audit plan and it was recommended that the Audit Sub-committee meets again before the financial year end to complete the outstanding internal control checks.

AU/21/07 **INTERIM INTERNAL AUDIT REPORT** To consider the Interim Audit Report and create a plan to meet its recommendations *(Deferred)*

The internal auditor had identified a problem with reconciliation of the cash book accounts with the bank statements. This was related to the movement of receipts through the cash till. The issue was being addressed with the support of the software provider and progress would be reported to the next P & R committee.

Petty Cash internal controls were identified as requiring improvement. It **was recommended that petty cash reconciliation should in future be included with monthly bank reconciliation reports**.

AU/21/08 **FINANCIAL REGULATIONS** Review the Financial Regulations with reference to the interim Audit Report

Budgetary Control and authority to spend review:

- It was **recommended that Financial Regulation 1.8 be corrected to show the appointment of a separate RFO**

- The sub-committee reviewed the wording of regulation 4.1 and confirmed that only expenditure in excess of the approved budgets required further approval in line with the budgetary authority indicated

- It was **recommended that the budgetary authority for the Clerk be increased to £750 (previously £500) with respect to regulations 4.1 and 4.5**

- It was **recommended that Financial Regulation 4.8 be updated to require quarterly budget reports.**

Purchase order requirements - It was **recommended that Financial Regulations be amended to require a minimum value of £100 before a purchase order is required for purchases made using a debit card or petty cash.**

Financial Reporting - Sample reports were reviewed and **recommended that the Committed Spend report be provided to members.**

A further meeting of the Audit Sub-committee was arranged for 11th March 2022 to review bank statements against reconciliations. *It was noted that the RFO would be unavailable on this date.*

There being no further business the meeting closed at 3.30pm.

Signature …………………………………………… Date …………………………………..